

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2003

	June-03					March-03				December-02				September-02				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter	Month	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Fiscal YTD	FY02	Ended	Ended
				Net ROR	Net ROR													Net ROR	Net ROR	6/30/2003	6/30/2003
																				Net	Net
LARGE CAP DOMESTIC EQUITY																					
<i>Structured Growth</i>																					
<i>AllianceBernstein</i>	24,310,635	2.2%	2.3%	10.84%	0.46%	21,657,296	2.1%	2.3%	-0.19%	19,511,985	1.9%	2.3%	3.03%	18,780,830	1.9%	2.3%	-13.56%	-1.48%	-28.98%	-20.46%	-5.64%
<i>Russell 1000 Growth</i>				14.31%	1.38%				-1.07%				7.15%				-15.05%	2.93%	-26.49%	-21.55%	-5.04%
<i>Structured Value</i>																					
<i>LSV</i>	52,235,415	4.6%	4.5%	19.61%	1.91%	43,132,468	4.3%	4.5%	-5.86%	45,636,683	4.4%	4.5%	6.45%	42,506,859	4.3%	4.5%	-18.28%	-2.05%	2.72%	9.06%	3.95%
<i>Russell 1000 Value</i>				17.27%	1.25%				-4.86%				9.22%				-18.77%	-1.02%	-8.96%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>																					
<i>LA Capital (Wilshire)</i>	50,919,976	4.5%	4.5%	15.08%	1.20%	42,797,689	4.2%	4.5%	-1.89%	43,465,003	4.2%	4.5%	6.91%	40,322,633	4.1%	4.5%	-16.27%	1.08%	-17.00%	N/A	N/A
<i>Russell 1000</i>				15.74%	1.32%				-2.94%				8.16%				-16.91%	0.96%	-17.89%	N/A	N/A
<i>Enhanced S&P 500 Index</i>																					
<i>Northern Trust</i>	48,098,147	4.3%	4.5%	15.02%	1.20%	41,283,930	4.1%	4.5%	-3.17%	42,479,676	4.1%	4.5%	8.10%	38,974,110	4.0%	4.5%	-16.71%	0.28%	-16.98%	N/A	N/A
<i>Strong</i>	49,250,596	4.4%	4.5%	14.32%	1.29%	42,536,831	4.2%	4.5%	-1.41%	42,986,661	4.2%	4.5%	10.08%	38,723,285	3.9%	4.5%	-16.74%	3.30%	-20.23%	N/A	N/A
<i>Westridge</i>	54,786,080	4.9%	4.5%	15.44%	1.27%	51,769,895	5.1%	4.5%	-3.12%	52,870,344	5.2%	4.5%	8.55%	48,513,336	4.9%	4.5%	-17.16%	0.56%	-17.54%	N/A	N/A
<i>Total Enhanced S&P 500 Index</i>	152,134,824	13.5%	13.5%	14.96%	1.25%	135,590,655	13.4%	13.5%	-2.61%	138,336,681	13.5%	13.5%	8.88%	126,210,731	12.9%	13.5%	-16.87%	1.35%	-18.23%	N/A	N/A
<i>S&P 500</i>				15.39%	1.28%				-3.15%				8.44%				-17.28%	0.24%	-17.98%	N/A	N/A
<i>S&P 500 Index</i>																					
<i>State Street</i>	59,550,402	5.3%	5.3%	15.42%	1.27%	49,238,861	4.9%	5.3%	-3.15%	50,657,847	4.9%	5.3%	8.45%	43,960,466	4.5%	5.3%	-17.26%	0.31%	-17.96%	-11.14%	-1.58%
<i>S&P 500</i>				15.39%	1.28%				-3.15%				8.44%				-17.28%	0.24%	-17.98%	-11.20%	-1.61%
<i>TOTAL LARGE CAP DOMESTIC EQUITY</i>	339,151,251	30.1%	30.0%	15.44%	1.29%	292,416,970	28.9%	30.0%	-2.88%	297,608,199	29.0%	30.0%	7.69%	271,781,518	27.7%	30.0%	-16.77%	0.49%	-17.13%	-9.68%	-2.32%
<i>S&P 500</i>				15.39%	1.28%				-3.15%				8.44%				-17.28%	0.24%	-17.98%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY																					
<i>Manager-of-Managers</i>																					
<i>SEI</i>	120,503,875	10.7%	10.0%	23.58%	2.07%	97,483,162	9.6%	10.0%	-4.27%	101,823,731	9.9%	10.0%	5.20%	70,903,263	7.2%	8.0%	-19.10%	0.68%	-11.87%	N/A	N/A
<i>Russell 2000 + 200bp</i>				24.00%	1.98%				-4.00%				6.68%				-20.97%	0.37%	-6.59%	N/A	N/A
<i>TOTAL SMALL CAP DOMESTIC EQUITY</i>	120,503,875	10.7%	10.0%	23.58%	2.07%	97,483,162	9.6%	10.0%	-4.27%	101,823,731	9.9%	10.0%	5.20%	70,903,263	7.2%	8.0%	-19.10%	0.68%	-11.87%	-3.37%	-0.65%
<i>Russell 2000</i>				23.42%	1.81%				-4.49%				6.16%				-21.40%	-1.64%	-8.59%	-3.30%	0.97%
INTERNATIONAL EQUITY																					
<i>Large Cap - Core</i>																					
<i>State Street</i>	24,061,814	2.1%	2.0%	18.40%	2.84%	17,595,204	1.7%	2.0%	-8.71%	19,291,897	1.9%	2.0%	4.11%	13,130,499	1.3%	1.6%	-19.98%	-9.96%	-11.74%	-13.28%	-4.72%
<i>MSCI EAFE - 50% Hedged</i>				17.26%	2.86%				-9.03%				4.04%				-20.02%	-11.24%	-14.62%	-14.65%	-4.18%
<i>Large Cap - Active</i>																					
<i>Capital Guardian</i>	57,770,075	5.1%	5.0%	17.07%	3.12%	44,433,927	4.4%	5.0%	-10.08%	49,452,515	4.8%	5.0%	7.34%	34,237,389	3.5%	4.0%	-21.51%	-11.30%	-13.17%	-14.96%	0.47%
<i>Bank of Ireland</i>	11,504,550	1.0%	1.0%	19.94%	1.24%	8,982,676	0.9%	1.0%	-10.90%	10,089,180	1.0%	1.0%	7.11%	7,407,705	0.8%	0.8%	-21.62%	-10.28%	N/A	N/A	N/A
<i>Total Large Cap - Active</i>	69,274,625	6.1%	6.0%	17.57%	2.80%	53,416,603	5.3%	6.0%	-10.22%	59,541,696	5.8%	6.0%	7.30%	41,645,095	4.2%	4.8%	-21.53%	-11.12%	-12.19%	-14.58%	0.74%
<i>MSCI EAFE - 50% Hedged</i>				17.26%	2.86%				-9.03%				4.04%				-20.02%	-11.24%	-14.62%	-14.65%	-4.18%
<i>Small Cap - Active</i>																					
<i>Lazard</i>	12,686,858	1.1%	1.0%	21.27%	1.49%	10,133,381	1.0%	1.0%	-6.21%	10,812,841	1.1%	1.0%	3.95%	8,303,351	0.8%	0.8%	-17.39%	-2.32%	N/A	N/A	N/A
<i>Wellington</i>	13,311,471	1.2%	1.0%	23.43%	1.85%	10,453,280	1.0%	1.0%	-3.04%	10,793,693	1.1%	1.0%	7.12%	7,963,664	0.8%	0.8%	-17.33%	5.97%	N/A	N/A	N/A
<i>Total Small Cap - Active</i>	25,998,329	2.3%	2.0%	22.37%	1.67%	20,586,661	2.0%	2.0%	-4.63%	21,606,534	2.1%	2.0%	5.50%	16,267,015	1.7%	1.6%	-17.36%	1.75%	N/A	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				23.03%	4.80%				-2.09%				1.85%				-15.30%	3.91%	N/A	N/A	N/A
<i>TOTAL INTERNATIONAL EQUITY</i>	119,334,768	10.6%	10.0%	18.78%	2.56%	91,598,468	9.0%	10.0%	-8.73%	100,440,127	9.8%	10.0%	6.23%	71,042,608	7.2%	8.0%	-20.31%	-8.22%	-10.49%	-12.63%	-0.99%
<i>MSCI EAFE - 50% Hedged</i>				17.26%	2.86%				-9.03%				4.04%				-20.02%	-11.24%	-14.62%	-14.65%	-4.18%
EMERGING MARKETS EQUITY																					
<i>Capital Guardian</i>	56,606,292	5.0%	5.0%	22.61%	5.09%	46,170,962	4.6%	5.0%	-6.12%	49,179,776	4.8%	5.0%	11.72%	44,022,601	4.5%	5.0%	-16.68%	7.15%	-5.69%	-10.61%	1.62%
<i>MSCI Emerging Markets Free</i>				23.38%	5.70%				-5.87%				10.04%				-16.30%	6.96%	1.30%	-7.07%	2.49%
DOMESTIC FIXED INCOME																					
<i>Core Bond</i>																					
<i>Western Asset</i>	31,624,260	2.8%	3.1%	3.62%	0.01%	40,126,956	4.0%	3.6%	3.03%	38,769,713	3.8%	3.7%	2.49%	50,157,445	5.1%	4.3%	3.66%	13.42%	8.87%	11.88%	8.58%
<i>Lehman Aggregate</i>				2.50%	-0.20%				1.39%				1.57%				4.58%	10.39%	8.62%	10.07%	7.54%
<i>Active Duration</i>																					
<i>WestAM (Criterion)</i>	31,200,890	2.8%	3.8%	2.86%	-0.25%	39,546,753	3.9%	4.3%	1.46%	38,667,068	3.8%	4.4%	2.69%	49,437,568	5.0%	4.3%	2.57%	9.93%	6.00%	9.39%	6.85%
<i>Lehman Aggregate</i>				2.50%	-0.20%				1.39%				1.57%				4.58%	10.39%	8.62%	10.07%	7.54%
<i>Index</i>																					
<i>Bank of ND</i>	51,598,303	4.6%	4.8%	3.19%	-0.41%	46,546,947	4.6%	4.6%	1.55%	46,201,693	4.5%	4.5%	1.40%	59,641,291	6.1%	5.5%	5.96%	12.59%	9.56%	11.06%	7.79%
<i>Bank of ND Match Loan CD Program</i>	13,808,819	1.2%	1.2%	1.42%	0.47%	14,229,705	1.4%	1.4%	1.41%	14,962,312	1.5%	1.5%	1.43%	14,932,255	1.5%	1.5%	1.44%	5.83%	5.79%	5.84%	5.85%
<i>Total Index</i>	65,407,122	5.8%	6.0%	2.72%	-0.18%	60,776,652	6.0%	6.0%	1.51%	61,164,004	6.0%	6.0%	1.38%	74,573,546	7.6%	7.0%	4.78%	10.77%	9.68%	10.08%	7.44%
<i>Lehman Gov/Credit</i>				3.52%	-0.40%				1.65%				1.73%				5.70%	13.15%	8.24%	10.82%	7.83%

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	June-03					March-03				December-02				September-02				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Actual	Quarter	Month	Market Value	Allocation	Actual	Quarter	Market Value	Allocation	Actual	Quarter	Market Value	Allocation	Actual	Quarter	Fiscal YTD	FY02	Ended	Ended
				Net ROR	Net ROR													Net ROR	Net ROR	6/30/2003	6/30/2003
																				Net	Net
Convertibles																					
TCW	34,378,738	3.1%	3.1%	11.96%	0.67%	38,201,733	3.8%	3.6%	1.01%	39,126,538	3.8%	3.7%	8.32%	44,401,459	4.5%	4.3%	-9.90%	10.37%	-21.20%	-9.08%	N/A
<i>First Boston Convertible Index</i>				10.64%	0.65%				3.82%				9.83%				-8.56%	15.35%	-12.44%	-3.81%	N/A
BBB Average Quality																					
Strong	32,537,644	2.9%	3.1%	6.37%	-0.01%	41,039,445	4.1%	3.6%	3.27%	39,395,747	3.8%	3.7%	4.11%	48,988,744	5.0%	4.3%	0.40%	14.81%	3.16%	10.35%	N/A
<i>Lehman BBB</i>				6.54%	-0.05%				3.40%				4.59%				2.70%	18.33%	5.85%	9.91%	N/A
Timberland																					
Evergreen (Wachovia)	64,883,482	5.8%	5.8%	2.68%	-1.08%	37,357,233	3.7%	3.7%	6.30%	34,814,039	3.4%	3.4%	3.23%	35,606,528	3.6%	3.6%	-0.15%	12.50%	N/A	N/A	N/A
																		N/A	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	260,032,136	23.1%	24.0%	4.51%	-0.27%	257,048,772	25.4%	24.0%	2.58%	251,937,110	24.6%	24.0%	3.37%	303,165,290	30.9%	28.0%	0.72%	11.62%	2.56%	6.95%	6.77%
<i>Lehman Aggregate</i>				2.50%	-0.20%				1.39%				1.57%				4.58%	10.39%	8.62%	10.07%	7.54%
HIGH YIELD BONDS																					
Western Asset	60,350,553	5.4%	5.0%	8.43%	2.74%	55,678,487	5.5%	5.0%	6.29%	58,259,945	5.7%	5.0%	7.64%	54,125,166	5.5%	5.0%	-3.24%	20.04%	-6.08%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				10.11%	2.88%				7.61%				6.74%				-2.93%	22.77%	-3.60%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																					
International Core																					
UBS Global (Brinson)	27,333,440	2.4%	2.5%	4.63%	-1.66%	58,548,986	5.8%	5.0%	4.00%	56,806,368	5.5%	5.0%	6.07%	58,509,848	6.0%	5.0%	2.40%	18.20%	16.83%	8.47%	5.93%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				4.21%	-1.88%				3.73%				6.06%				2.84%	17.91%	15.72%	8.10%	6.29%
Brandywine	27,166,240	2.4%	2.5%	N/A	-0.52%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				N/A	-1.76%				N/A				N/A				N/A	N/A	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	54,499,681	4.8%	5.0%	4.31%	-1.09%	58,548,986	5.8%	5.0%	4.00%	56,806,368	5.5%	5.0%	6.07%	58,509,848	6.0%	5.0%	2.40%	17.83%	16.83%	8.36%	5.86%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				4.21%	-1.88%				3.73%				6.06%				2.84%	17.91%	15.72%	8.10%	6.29%
REAL ESTATE																					
JMB	37,739			3.63%	4.07%	36,416			-21.97%	62,368			-1.27%	1,034,424			1.94%	-18.62%	0.92%	-5.76%	0.42%
INVESCO	26,836,041			2.80%	1.41%	26,491,724			1.79%	26,455,209			-0.41%	26,898,258			3.78%	8.15%	2.61%	8.00%	7.69%
J.P. Morgan	30,836,219			2.73%	1.03%	30,015,594			1.31%	29,486,181			1.90%	28,936,241			1.64%	7.80%	4.10%	7.36%	10.23%
TOTAL REAL ESTATE	57,709,999	5.1%	5.0%	2.77%	1.23%	56,543,735	5.6%	5.0%	1.56%	56,003,758	5.5%	5.0%	0.65%	56,868,923	5.8%	5.0%	2.78%	7.97%	3.35%	7.69%	9.00%
<i>NCREIF TOTAL INDEX</i>				1.88%	0.62%				1.88%				1.67%				1.79%	7.42%	6.79%	8.44%	10.11%
ALTERNATIVE INVESTMENTS																					
Brinson IVCF II	275,887			-0.07%	0.72%	276,067			2.24%	270,022			-3.71%	280,402			-5.91%	-7.44%	-28.90%	-23.62%	10.02%
Coral Partners II	424,745			34.08%	14.14%	313,230			8.45%	275,339			-5.57%	288,961			-19.48%	10.56%	-53.48%	-36.34%	-15.79%
Coral Partners V	10,861,145			1.35%	0.00%	10,710,356			0.57%	10,644,361			-7.89%	10,516,776			-17.47%	-22.52%	-46.32%	-20.83%	-9.87%
Coral Partners V - Supplemental	623,945			-4.98%	0.00%	656,306			-0.31%	657,976			-11.88%	734,421			-14.17%	-28.36%	N/A	N/A	N/A
Coral Partners VI	1,538,110			-7.30%	0.00%	685,102			-11.41%	772,916			-21.31%	608,359			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,773,706			-2.32%	-0.89%	1,919,127			-1.30%	1,943,320			-7.89%	2,147,412			-3.97%	-14.73%	-15.23%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,258,359			-1.04%	-1.04%	2,280,934			-5.12%	2,466,288			-6.50%	2,426,646			-4.67%	-16.31%	-21.70%	-14.42%	N/A
Brinson 2000 Partnership Fund	3,642,222			-1.44%	-2.43%	3,417,673			-4.65%	3,582,381			-1.66%	3,174,793			-6.93%	-13.99%	-14.95%	-9.08%	N/A
Brinson 2001 Partnership Fund	1,256,618			-0.05%	-0.05%	982,363			-3.01%	1,012,364			-1.33%	1,018,176			-1.71%	-5.98%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	761,051			4.49%	4.49%	727,942			7.17%	678,877			-2.74%	686,547			0.15%	9.08%	N/A	N/A	N/A
Brinson 2003 Partnership Fund	85,740			N/A	N/A	-			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,234,909			1.31%	1.31%	1,218,342			2.03%	1,223,989			-2.36%	1,140,547			12.07%	13.12%	-7.68%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,189,917			-1.06%	-1.12%	1,079,720			4.28%	1,034,898			-0.81%	907,252			7.00%	9.50%	-6.51%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	780,589			0.54%	-0.04%	600,271			2.11%	446,407			-1.54%	445,970			-1.47%	-0.41%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	974,322			0.35%	0.35%	970,378			5.36%	920,530			-0.33%	348,399			-0.04%	5.34%	N/A	N/A	N/A
Brinson 2003 Non-US Partnership Fund	75,556			N/A	N/A	-			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
Brinson BVCF IV	6,157,404			-9.85%	0.00%	6,826,261			7.35%	6,355,815			-9.29%	6,891,660			-2.76%	-14.64%	-29.16%	-18.80%	N/A
Matlin Patterson Global Opportunities	12,390,467			3.63%	1.63%	11,051,515			-3.52%	10,514,586			0.00%	9,125,381			N/A	N/A	N/A	N/A	N/A
InvestAmerica	812,656			-7.00%	-7.00%	873,383			0.00%	872,928			-5.91%	912,538			0.00%	-12.50%	N/A	N/A	N/A
Hearthstone	3,951,137			11.95%	0.00%	4,707,884			0.00%	4,173,907			3.48%	4,756,522			11.34%	28.98%	4.99%	13.57%	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	51,068,484	4.5%	5.0%	0.63%	0.17%	49,296,854	4.9%	5.0%	-0.24%	47,846,904	4.7%	5.0%	-3.28%	46,410,761	4.7%	5.0%	-6.95%	-9.65%	-29.02%	-13.02%	0.04%
CASH EQUIVALENTS																					
Northern Trust STIF/STEP	7,559,719	0.7%	1.0%	0.33%	0.05%	7,961,132	0.8%	1.0%	0.40%	6,255,542	0.6%	1.0%	0.42%	5,115,135	0.5%	1.0%	0.68%	1.84%	2.29%	3.33%	4.22%
<i>90 Day T-Bill</i>				0.33%	0.14%				0.30%				0.43%				0.45%	1.52%	2.63%	3.33%	4.07%
TOTAL FUND	1,126,816,757	100.0%	100.0%	11.54%	1.23%	1,012,747,527	100.00%	100.00%	-1.10%	1,026,161,460	100.00%	100.00%	4.92%	981,945,114	100.0%	100.0%	-8.88%	5.46%	-6.83%	-1.91%	2.68%
POLICY TARGET BENCHMARK				11.15%	1.18%				-1.64%				4.68%				-8.58%	4.62%	-5.63%	-2.62%	2.52%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Sal